

NEW MEXICO BUSINESS

CURRENT ECONOMIC REPORT

Vol. 8 No. 9
October 1987

Current Economic Developments in New Mexico

U.S. financial markets are on a roller coaster ride. After a gradual descent through most of October, the Dow Jones Industrial Average nose dived a record 508 points in just one day, October 19. Many factors caused the tumble. Investors have been jittery over the U.S. trade and federal budget deficits for some time now and a recent disagreement between Treasury Secretary Baker and the West Germans raised further concern about rising interest rates. Worldwide panic ensued in major money centers. Washington responded with soothing words on tightening fiscal policy and Chairman Greenspan announced that the Federal Reserve would provide the necessary liquidity (loosening credit) for the economy to avoid any financial crunch. This was a total about face for the Federal Reserve, which in September raised the discount rate from 5.5 to 6.0 percent to counter rising inflationary expectations. Meanwhile, the stock market has partly recovered from the crash but uncertainty lies everywhere.

Despite slowly rising incomes, consumers have piled on debt partly due to rising wealth and high confidence. With the loss in wealth and the high level of uncertainty associated with the stock market decline, most analysts expect the consumer to retrench, cut back consumption and increase the savings rate. Purchases of durables have already tapered off and any additional reduction in consumer spending would hurt retail sales, especially such big ticket items as autos and houses.

How likely is a recession? At this point it depends largely on the reaction of consumers. If consumer confidence turns gloomy, then sharply curtailed purchases could sink the economy into recession. But, in any event, GNP growth should shrink from its current 2.5 percent range.

The underlying economy in New Mexico continues to show improvement. In August, the state's unemployment rate dropped to 8.3 percent, significantly below the August, 1986 rate of 9.1 percent. Recently released personal income numbers also suggest a slight improvement in the state's economic picture. The preliminary second quarter 1987 personal income of \$17.394 billion represented a 2.9 percent gain in income over the same period in 1986. Although low by historical standards, this income gain does represent higher growth than seen in the previous two quarters.

The New Mexico sector which could be most impacted by any downturn in consumer or business confidence associated with the recent volatility of the financial markets is retail trade. Recent employment figures already indicate that this sector has

been weakening. Retail trade employment in August, 1987 was only 1.6 percent greater than the sector's August, 1986 employment. Any slowdown in retail trade is particularly important for the state's employment outlook since this sector accounts for almost 20 percent of the state's jobs.

Service employment growth in the state continues to be relatively strong. The year-to-year growth rates in services for July and August were 4.1 and 3.6 percent, respectively. The strength of this sector is primarily responsible for the recent improvement in New Mexico's employment situation.

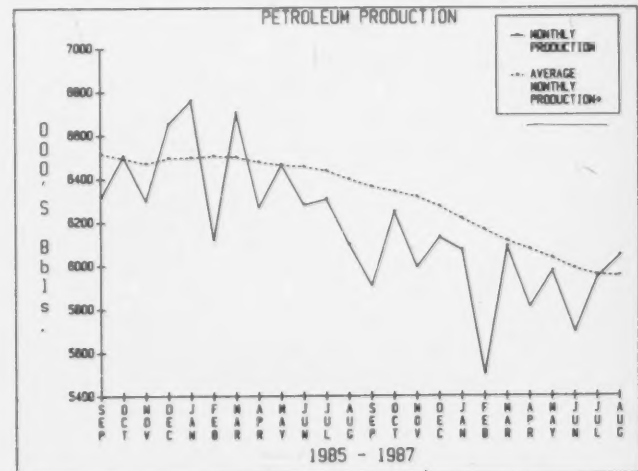
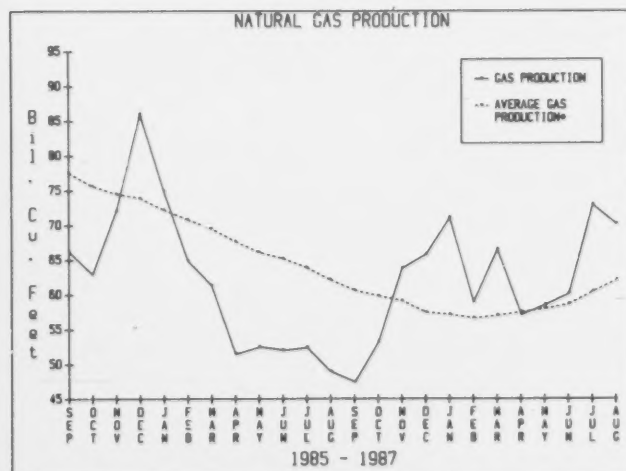
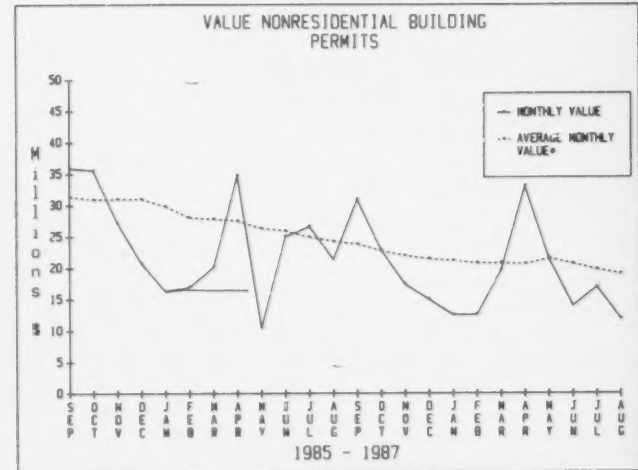
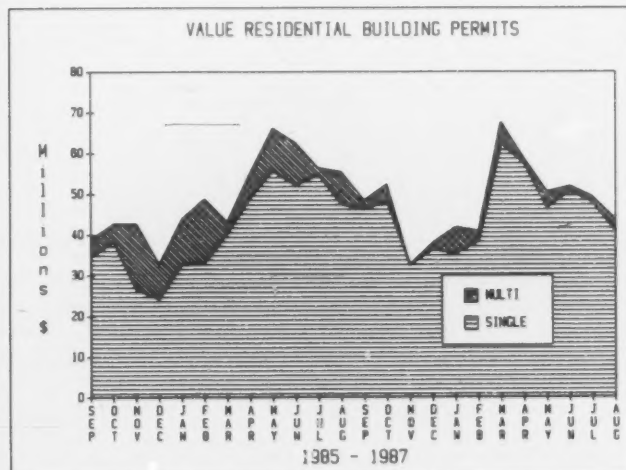
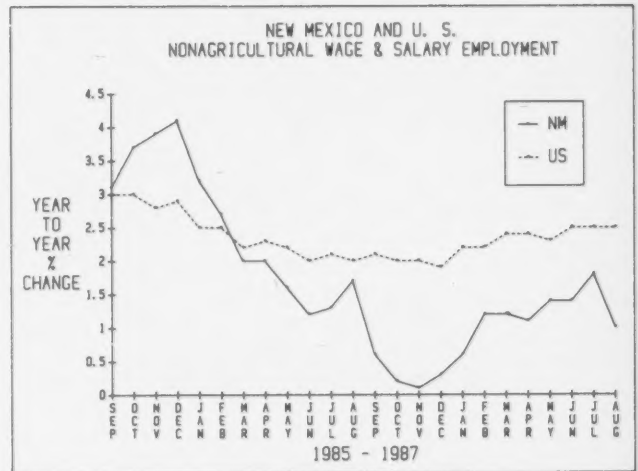
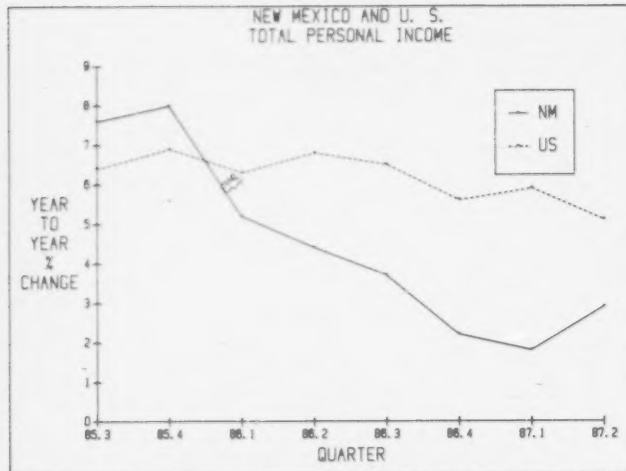
Activity in other sectors has also provided positive stimulus to New Mexico's economy. Manufacturing job growth in the state of 3.7 percent in July and 5.3 percent in August was well above the national average. Oil and gas extraction employment of 9,400 jobs in August is a welcome improvement over the year ago employment level of 9,000. Government employment at the local and federal levels experienced gains of 4.3 and 4.6 percent in August, 1987.

Considering the recent steep decline in multifamily and commercial construction activity, the construction sector has remained quite resilient in New Mexico. As the table on the bottom of Page 7 indicates, the value of total state construction contracts declined by only 1 percent during 1987 (comparing the first 8 months of 1987 to the first 8 months of 1986). Among three broad construction categories, residential construction in the state displayed the largest drop in dollar awards by falling 17 percent. Most of the drop in residential construction contracts was due to a 64 percent fall off in apartment building and a 9 percent slackening in single home building. Nonresidential building contract value fell 5 percent, a 30 percent decline in commercial building contracts being responsible for much of this slowdown. The dip in these construction components was offset largely by the 43 percent increase in the value of non-building construction. Mirroring weaker overall construction activity, construction employment was 1,100 less in August, 1987 compared to a year earlier.

Construction awards for 1987 (through August) rose slightly in Albuquerque and Las Cruces but shrank by one-third in Santa Fe. Total awards in Albuquerque increased 2 percent with gains in nonresidential building and nonbuilding construction. Growth in these categories can be attributed to investment in public infrastructure with the largest project being the expansion of Albuquerque International Airport. Other

(Continued on Page 8)

ECONOMIC TRENDS IN NEW MEXICO



*12 month moving average. For example, the point for August, 1986 represents an average of data from September, 1985 through August, 1986.

U.S. ECONOMIC INDICATORS

	CURRENT MO/QTR	DATA	% CHANGE YEAR AGO	PREVIOUS MO/ QTR DATA
Consumer price index				
All urban consumers (1967=100)				
All items	Aug 87	342.7	4.3	340.8
Food and beverages	Aug 87	325.4	3.4	325.1
Housing	Aug 87	374.9	3.4	372.5
Apparel and upkeep	Aug 87	214.7	3.7	210.5
Transportation	Aug 87	320.2	6.3	318.5
Medical care	Aug 87	466.1	6.5	464.1
Entertainment	Aug 87	283.9	3.3	283.5
Other goods and services	Aug 87	366.6	5.8	365.1
Revised series, wage earners and clerical workers (1967=100)				
All items	Aug 87	337.4	4.3	335.6
Gross national product* (\$Bil. constant)				
	II 87	3795.3	2.5	3772.2
Prime interest rate** (% per annum)	Aug 87	8.3	10.0	8.3
Mortgage interest rate*** (% per annum)	Aug 87	9.4	-8.5	9.4
3 month treasury bill# (% per annum)	Aug 87	6.0	7.8	5.8
Industrial production### (1977=100)	Aug 87	130.7	4.5	130.3
Manufacturers new orders### (\$Bil.)	Jul 87	206.1	10.4	205.5

NEW MEXICO AND U.S. COMPARISONS

	NEW MEXICO				UNITED STATES		
	CURRENT MO/QTR	CURRENT MO/QTR DATA	% CHANGE YEAR AGO	PREVIOUS MO/QTR DATA	CURRENT MO/QTR DATA	% CHANGE YEAR AGO	PREVIOUS MO/QTR DATA
Employment (000)	Aug 87	616.3	-0.3	619.7	114,527	2.8	114,652
Unemployment rate (%)	Aug 87	8.3	-8.7	8.6	5.8	-13.4	6.1
Nonagricultural employment (000)	Aug 87	534.4	1.1	535.1	102,148	2.6	101,934
Personal income#### (\$Mil.)	II 87	17,394	2.9	17,070	3,705,169	5.2	3,660,342
Housing units permitted							
Single	Aug 87	598	-20.7	697	88,366	-2.3	95,782
Multi	Aug 87	71	-76.7	38	39,673	-25.9	44,718

Note: Selected data items subject to revision.

N Not available.

* 1982 dollars at seasonally adjusted annual rates.

** Closing rate for month.

*** Effective rate (in the primary market) on conventional mortgages, reflecting fees and charges as well as contract rate and assumed, on the average, repayment at end of 10 years.

Rate on new issues within period; bank discount basis.

Monthly data seasonally adjusted.

Quarterly data seasonally adjusted at annual rates.

Sources: U. S. Department of Labor, News: CPI data;

New Mexico Department of Labor and U. S. Bureau of Labor Statistics: employment and unemployment data.

U. S. Department of Commerce, Bureau of Economic Analysis: income data;

U. S. Department of Commerce, Bureau of the Census: construction data.

U. S. Council of Economic Advisors, Economic Indicators: all other data.

NEW MEXICO ECONOMIC INDICATORS

		CURRENT MO/QTR DATA	% CHANGE YEAR AGO	PREVIOUS MO/QTR DATA	% CHANGE# 12 MONTH AVERAGES
1. GENERAL					
Civilian labor force* (000)	Aug 87	672.2	-1.1	677.9	2.0
Total employment* (000)	Aug 87	616.3	-0.3	619.7	1.9
Unemployment* (000)	Aug 87	55.9	-9.2	58.2	2.2
Unemployment rate (%)	Aug 87	8.3	-8.7	8.6	0.0
Weekly new unemployment insurance claims	Aug 87	1164.0	-20.7	1242.0	-9.7
Nonagricultural wage/salary employment** (000)	Aug 87	534.4	1.1	535.1	0.9
New business incorporations	Jun 87	197.0	12.0	203.0	-7.6
Personal income*** (\$ mil.)	II 87	17394.0	2.9	17070.0	2.7
2. AGRICULTURAL RECEIPTS					
Livestock and products (\$ mil.)	Jul 87	49.4	16.0	47.5	9.1
Crops (\$ mil.)	Jul 87	41.4	24.0	31.6	-9.0
Total (\$ mil.)	Jul 87	90.8	19.5	79.2	3.3
3. MINING					
Employment** (000)	Aug 87	15.2	0.0	15.1	-18.1
Average hourly earnings (\$)	Aug 87	11.50	-9.7	11.58	-3.1
Petroleum production (000 bbls.)	Aug 87	6045.4	-0.8	5945.2	-6.9
Natural gas production (bil. cu. ft.)	Aug 87	70.1	43.4	72.9	0.0
Coal production (000 short tons)	Aug 87	2092.0	-1.4	1426.0	-8.9
Oil well completions&	Aug 87	50.0	51.6	57.0	-46.3
Gas well completions&	Aug 87	30.0	100.0	27.0	-59.1
Total footage drilled&& (000)	Aug 87	500.8	58.5	499.7	-52.0
Oil sales (\$ mil.)	May 87	101.4	28.6	97.9	-39.3
Gas sales (\$ mil.)	May 87	83.5	-6.5	84.8	-44.4
4. CONSTRUCTION					
Employment** (000)	Aug 87	35.9	-2.9	35.8	-4.1
Average hourly earnings (\$)	Aug 87	10.44	-2.7	10.52	-0.1
Residential units permitted	Aug 87	669.0	-36.9	735.0	-22.7
Residential building permits (\$ mil.)	Aug 87	43.9	-20.7	49.3	-2.1
Nonresidential building permits (\$ mil.)	Aug 87	11.8	-44.6	16.9	-21.9
Residential construction contracts (\$ mil.)	Aug 87	51.8	-7.3	54.9	-10.3
Nonresidential construction contracts (\$ mil.)	Aug 87	38.9	1.6	49.0	-8.8
Nonbuilding construction contracts (\$ mil.)	Aug 87	71.7	166.6	24.0	20.8
5. TRANSPORTATION/COMMUNICATION/UTILITIES					
Employment** (000)	Aug 87	27.9	-2.4	27.7	-2.7
Average hourly earnings## (\$)	Aug 87	13.87	5.2	12.94	16.0
6. MANUFACTURING					
Employment** (000)	Aug 87	40.0	5.3	39.2	1.9
Average hourly earnings (\$)	Aug 87	8.86	1.8	8.94	1.3
Electric & electronic equipment employment** (000)	Aug 87	4.3	0.0	4.3	-10.4
Transportation equipment employment** (000)	Aug 87	5.1	21.5	5.1	9.8
Food & kindred products employment** (000)	Aug 87	4.9	6.6	4.4	4.8
Textile & apparel employment** (000)	Aug 87	2.6	8.4	2.6	4.2
Lumber & wood products employment** (000)	Aug 87	3.0	3.5	3.0	7.7

NEW MEXICO ECONOMIC INDICATORS (continued)

	MO/QTR	CURRENT DATA	% CHANGE YEAR AGO	PREVIOUS MO/QTR DATA	% CHANGE# 12 MONTH AVERAGES
7. TRADE					
Wholesale employment** (000)	Aug 87	22.5	0.0	22.5	-1.7
Retail employment** (000)	Aug 87	108.8	1.6	108.5	3.2
Average hourly earnings (\$)	Aug 87	6.77	1.4	6.87	0.6
8. FINANCE/INSURANCE/REAL ESTATE					
Employment** (000)	Aug 87	27.4	1.9	27.3	2.7
Bank average hourly earnings (\$)	Aug 87	5.95	3.2	5.89	4.0
Bank total assets (\$ mil.)	I 87	9620.6	2.4	9873.0	3.7
Bank total deposits (\$mil.)	I 87	8308.5	2.3	8523.2	3.4
Bank gross loans (\$ mil.)	I 87	5582.4	0.3	5598.5	1.0
S & L total assets (\$ mil.)	Aug 87	6126.0	13.3	6098.0	14.7
S & L total deposits (\$ mil.)	Aug 87	4620.0	6.0	4604.0	8.0
S & L new mortgage loans closed&&& (\$ mil.)	Aug 87	105.0	-30.0	120.0	9.8
9. SERVICES AND TOURISM					
Total service employment** (000)	Aug 87	124.7	3.6	125.2	3.6
Lodging employment** (000)	Aug 87	12.9	4.9	13.0	8.2
Eating & drinking places employment** (000)	Aug 87	39.9	1.8	39.4	2.7
Visits to state parks (000)	Dec 86	202.9	16.9	248.1	18.9
Visits to national parks/monuments (000)	Aug 87	288.7	-2.0	313.2	-2.7
Passenger traffic at Albuquerque airport@ (000)	Aug 87	430.3	-0.1	419.0	6.4
Lodgers tax receipts (\$ 000)	II 87	1910.5	11.4	1557.4	N
Lodging occupancy rates (%)	Aug 87	73.3	-3.0	70.8	-1.1
10. GOVERNMENT					
Total government employment** (000)	Aug 87	132.0	-0.9	133.8	1.5
Federal employment** (000)	Aug 87	32.0	4.6	32.0	1.7
State employment** @@ (000)	Aug 87	43.5	-10.3	44.4	-0.4
Local employment** (000)	Aug 87	56.5	4.3	57.4	3.0
Total general fund revenues@@@ (\$ mil.)	Jul 87	127.4	18.5	156.0	5.1

Note: selected data items subject to revision.

N Not available.

* Number of persons by place of residence.

** Number of jobs by place of work.

*** Quarterly data seasonally adjusted at annual rates.

& These include wells that are in the following categories: new drillings, deepened, plugged back, reentry and additional zone.

&& Oil and gas combined.

&&& New mortgage loans closed equals the previously carried item "Total loans closed" plus a relatively insignificant additional loan category.

For example, in the report that contained June 1985 figures this would be the percent change in the average of July 1983 to June 1984 data versus the average of July 1984 to June 1985 data.

Communications and utilities only.

@ Passenger traffic includes enplanements and deplanements.

@@ This figure includes full and part time employment at Los Alamos National Laboratories (LANL). Full time employment alone at LANL is 7,955 as of AUGUST 1986 according to U. S. Dept. of Energy, Public Affairs.

@@@ Includes recurring and non-recurring revenues.

Sources: New Mexico Department of Labor: Sections 1, 3, 4, 5, 6, 7, 8, 9, 10;

Dun and Bradstreet, Inc.: Section 1;

U. S. Dept. of Commerce, Bureau of Economic Analysis: Section 1;

USDA Statistical Reporting Service: Section 2;

New Mexico Energy, Minerals and Natural Resources Dept., Oil and Gas Conservation Division: Section 3;

New Mexico Taxation and Revenue Dept., Oil and Gas Accounting Division: Section 3;

U. S. Dept. of Energy, Energy Information Administration: Section 3;

U. S. Dept. of Commerce, Bureau of the Census: Section 4;

F. W. Dodge Company (a division of McGraw Hill, Inc.): Section 4;

U. S. Federal Reserve: Section 8;

Federal Home Loan Bank of Dallas: Section 8;

New Mexico Energy, Minerals and Natural Resources Dept., Park and Recreation Division: Section 9;

U. S. National Park Service: Section 9;

City of Albuquerque, Albuquerque International Airport: Section 9;

New Mexico Dept. of Finance and Administration, Local Government Division: Section 9;

Parnell, Kerr and Forster: Section 9;

New Mexico Dept. of Finance and Administration: Section 10.

CITIES, COUNTIES AND FEATURES

GROSS RECEIPTS# FROM RETAIL TRADE##
TOP 20 CITIES
(\$000)

	CURRENT 3 MONTH AVERAGE* JUN-AUG	% CHANGE AVERAGE YEAR AGO	PREVIOUS 3 MONTH AVERAGE* MAR-MAY
Alamogordo	\$ 15,686	12.8	\$ 14,355
Albuquerque	228,498	3.4	205,214
Artesia	4,946	-2.6	4,568
Carlsbad	11,973	-8.4	10,729
Clovis	16,541	-2.1	14,809
Deming	5,092	7.2	4,867
Espanola	7,297	-1.0	6,336
Farmington	27,261	-0.5	24,824
Gallup	22,733	3.1	21,043
Grants	4,799	19.9	3,601
Hobbs	14,289	-10.3	15,499
Las Cruces	34,198	7.0	32,756
Las Vegas	5,976	-0.5	5,262
Los Alamos	6,206	-8.3	5,947
Portales	6,064	-7.2	5,515
Roswell	19,116	1.3	17,539
Ruidoso	6,743	-1.2	4,696
Santa Fe	50,360	7.7	40,855
Silver City	7,249	7.2	6,488
Taos	7,656	6.7	6,190
State total	638,662	1.5	565,800

Gross receipts reported are for gross receipts tax purposes, which do not include all the receipts of all firms.

Estimates for May, 1987 based on incomplete data.

* Averages are used to smooth out fluctuations in the data, which are not caused by changes in economic conditions.

Note: Due to declining sales activity in Lovington, Grants now replaces Lovington in the top 20 cities.

Source: New Mexico Taxation and Revenue Department.

NEW MEXICO CONSTRUCTION
SELECTED CITIES

	NUMBER OF BUILDING UNITS OR PERMITS *				VALUE OF BUILDING PERMITS (\$000)			
	AUG. 1987	AUG. 1986	CUMULATIVE TOTAL THROUGH 1987	AUG. 1986	AUG. 1987	AUG. 1986	CUMULATIVE TOTAL THROUGH 1987	AUG. 1986
NEW RESIDENTIAL**								
Alamogordo	21	38	189	216	\$ 614	\$ 1,610	\$ 7,998	\$ 10,124
Albuquerque	205	507	2,339	4,332	15,223	22,583	149,390	179,652
Carlsbad	4	15	62	62	175	822	3,526	3,256
Clovis	7	17	71	115	273	574	4,488	6,236
Farmington	4	13	51	67	165	495	2,651	2,680
Hobbs	7	6	21	27	437	261	1,276	1,313
Las Cruces	35	29	527	352	1,968	1,849	22,053	18,618
Los Alamos	0	4	54	44	0	392	7,376	5,436
Rio Rancho***	44	103	622	840	1,970	5,821	35,970	43,807
Roswell	8	7	52	58	585	461	3,197	2,804
Ruidoso	2	6	50	121	170	485	3,226	6,254
Santa Fe	49	52	394	493	3,526	2,427	19,023	20,522
NEW NONRESIDENTIAL†								
Alamogordo	2	22	32	78	211	354	1,834	1,287
Albuquerque	1	1	37	31	875	1,092	46,477	44,199
Carlsbad	3	9	39	77	9	41	555	1,214
Clovis	0	1	17	24	0	899	1,623	2,665
Farmington	3	2	15	19	139	344	1,245	3,019
Hobbs	0	0	5	12	0	0	356	1,682
Las Cruces	15	22	132	150	933	3,649	11,401	13,053
Los Alamos	1	11	10	59	0	72	927	3,879
Rio Rancho***	1	1	28	23	15	40	7,880	5,389
Roswell	6	12	70	77	9	14	583	1,574
Ruidoso	0	3	3	12	0	6	500	1,428
Santa Fe	7	17	48	75	253	2,188	9,665	10,603

Note: Top twelve cities chosen on basis of residential construction activity during the period 1982 through 1984. † 1985 data is revised.

* Residential data shows the number of permitted units, while nonresidential data shows the number of permits.

** Residential data includes both single and multi family units.

*** City of Rio Rancho reported Rio Rancho data.

Sources: City of Rio Rancho: Rio Rancho only;
U. S. Department of Commerce, Bureau of the Census: all others.

CITIES, COUNTIES AND FEATURES (continued)

ESTIMATED CIVILIAN LABOR FORCE AND EMPLOYMENT
(000)

	NEW MEXICO			ALBUQUERQUE MSA*			LAS CRUCES MSA**			SANTA FE MSA***		
	AUG. p	% CHANGE YEAR AGO	JULY r	AUG. p	% CHANGE YEAR AGO	JULY r	AUG. p	% CHANGE YEAR AGO	JULY r	AUG. p	% CHANGE YEAR AGO	JULY r
TOTAL CIVILIAN LABOR FORCE	672.2	-1.1	677.9	254.1	-0.6	257.6	55.1	-1.7	54.1	67.3	1.6	68.0
Employment@	616.3	-0.3	619.7	238.1	-0.4	241.4	51.0	-2.2	49.7	63.7	1.3	64.3
Unemployment	55.9	-9.2	58.2	16.0	-3.0	16.2	4.1	5.2	4.4	3.6	5.9	3.6
Unemployment rate (%)	8.3	-8.7	8.6	6.3	-3.0	6.3	7.4	5.8	8.2	5.3	4.0	5.3
NONAGRICULTURAL WAGE & SALARY EMPLOYMENT	534.4	1.1	535.1	232.2	1.7	231.8	38.2	-3.7	37.7	55.8	2.2	56.2
Mining	15.2	0.0	15.1	0.2	0.0	0.2	0.1	0.0	0.1	0.1	0.0	0.1
Contract construction	35.9	-2.9	35.8	17.1	-3.9	17.1	2.9	7.5	2.9	3.5	3.0	3.5
Manufacturing	40.0	5.3	39.2	19.9	0.0	19.7	3.4	-2.8	3.2	1.7	6.3	1.7
Durable goods	25.9	5.3	25.6	14.1	-1.3	14.1	1.3	8.4	1.3	1.1	10.0	1.1
Nondurable goods	14.1	5.3	13.6	5.8	3.6	5.6	2.1	-8.6	1.9	0.6	0.0	0.6
Transportation & public utilities	27.9	-2.4	27.7	12.2	0.9	12.2	1.2	0.0	1.2	1.1	-8.3	1.1
Trade	131.3	1.4	131.0	61.0	3.1	60.6	7.8	0.0	7.7	11.4	6.6	11.2
Wholesale	22.5	0.0	22.5	14.2	1.5	14.2	0.8	-11.1	0.8	0.8	14.3	0.8
Retail	108.8	1.6	108.5	46.8	3.6	46.4	7.0	0.0	6.9	10.6	6.0	10.5
Finance, insurance, & real estate	27.4	1.9	27.3	15.0	4.2	15.0	1.7	6.3	1.7	2.2	4.8	2.2
Services	124.7	3.6	125.2	64.0	4.3	64.1	6.3	14.6	6.2	14.7	3.6	14.7
Government	132.0	-0.9	133.8	42.8	-1.3	42.9	14.9	-13.8	14.9	21.2	-0.4	21.7
Federal	32.0	4.6	32.0	13.2	2.4	13.5	4.3	-2.2	4.4	1.6	-5.8	1.7
State	43.5	-10.3	44.4	10.5	-11.7	9.9	5.4	-35.7	5.4	16.0	-1.8	16.3
Local	56.5	4.3	57.4	19.1	2.7	19.5	5.2	15.6	5.1	3.6	9.1	3.7

N Not available, less than 50 jobs.
p Preliminary.
r Revised.

* Bernalillo County.
** Dona Ana County.
*** Santa Fe and Los Alamos Counties.
@ includes labor disputes.

Source: New Mexico Department of Labor.

CONSTRUCTION ACTIVITY IN NEW MEXICO AND MSA'S

VALUE OF CONTRACTS AWARDED (Cumulative total through Aug. 1987)	New Mexico	Albuquerque ¹	Las Cruces ²	Santa Fe ³
Total Construction (\$000's)	\$1,080,622	\$466,092	\$95,922	\$75,073
Nonresidential Building	322,542	184,814	22,535	30,781
Residential Building	434,532	197,849	39,714	36,621
Nonbuilding	323,548	83,429	33,673	7,671
CONTRACTS AWARDED -- % CHANGE IN YR. TO YR. CUMULATIVE (Through Aug.)				
Total Construction	-1%	2%	5%	31%
Nonresidential Building	-5	36	-33	-39
Residential Building	-17	-21	-10	-19
Nonbuilding	43	19	149	-40
EMPLOYMENT				
Total Construction (Aug. 1987)	35,900	17,100	2,900	3,500
Total Construction (Aug. 1986)	37,000	17,800	2,700	3,400
% Change from Year Ago	-3.0	-3.9	7.4	2.9

¹ Bernalillo County.

² Dona Ana County.

³ Santa Fe and Los Alamos Counties.

Sources: F.W. Dodge Division, McGraw Hill Information Systems Company
and New Mexico Department of Labor.

Current Economic Developments . . .

(Continued from Page 1)

public investment in Albuquerque is evident by large gains for education buildings and waste and water construction contracts. Partially offsetting these increases was a large drop off in the value of residential construction (down 21 percent). The net result is that construction employment in the Albuquerque MSA was 3.9 percent lower in August, 1987 when compared to August, 1986.

Las Cruces had the strongest construction activity among the MSA's with a 5 percent increase in awards and a pick up of 200 jobs. Though residential and nonresidential construction fell, single home building held steady. Nonbuilding awards swelled 149 percent because of a large jump in NASA related construction. Santa Fe, meanwhile, displayed the worst performance among the MSA's, recording a 31 percent drop in awards. Single home building grew 11.4 percent but apartment and hotel construction plummeted. Santa Fe's construction employment levels, though, have remained high, possibly due to rising single home activity or a carry-over from contracts signed in 1986. This seems to suggest that construction layoffs can be anticipated in the Santa Fe area.

David Boldt and Richard Zimmerman, Economists

Bureau of Business and Economic Research

Institute for Applied Research Services
The University of New Mexico
Albuquerque, NM 87131
(505) 277-2216

ED KIANKA
CONGRESSIONAL INFO. SER.
SRI ACQUISITIONS
SUITE 800
4520 EAST-WEST HIGHWAY
BETHESDA MD 20814

ANNOUNCING

THE 1988 ALBUQUERQUE BUSINESS OUTLOOK CONFERENCE

Presentations will be made concerning the U.S., New Mexico and Albuquerque economies, and the New Mexico State General Fund.

Where: Clarion Four Seasons

When: Thursday, December 3, 1987
3:15 p.m.-6:00 p.m.

Cost: \$25.00 Per Person

Co-Sponsored by:

Albuquerque Economic Development, Inc.
Bureau of Business and Economic Research, UNM
Albuquerque Hispano Chamber of Commerce
Greater Albuquerque Chamber of Commerce

Guest Speakers:

U.S. Economy, 1988—M. Ross Boyle, President, Growth Strategies Organization
New Mexico & Albuquerque Economies, 1988—Dr. Brian McDonald, Director, Bureau of Business and Economic Research, University of New Mexico
State General Fund Outlook, 1988—Phil Baca, Executive Director, New Mexico Legislative Finance Committee

For reservations and additional information contact Albuquerque Economic Development, 764-3750.

NON-PROFIT ORGANIZATION
U.S. POSTAGE
PAID
ALBUQUERQUE, N.M.
PERMIT NO. 962

Subscription Price \$15.00 per year.
Single Copies \$1.85